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## THE WORK OF EMPLOYERS' ASSOCIATIONS IN THE SETTLEMENT OF LABOR DISPUTES

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BY JAMES W. VAN CLEAVE,

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When the Board of Editors of *THE ANNALS* of the American Academy of Political and Social Science asked me to write a paper for them on "The Work of Employers' Associations in the Settlement of Labor Disputes," I felt honored. I have been familiar with the Academy's publications for years. Their contributors are men who speak with authority on the subjects which they touch. Everything which carries the Academy's imprint is studied all over the country by investigators and thinkers in the broad field which it covers.

As an employer for many years, as president of the National Association of Manufacturers for three terms, and as chairman of the National Council for Industrial Defense ever since its formation in 1907, consisting of 228 national, state and local organizations of business men, nearly all the members of which are employers, I naturally have had a good deal of interest in the question which I have been asked to treat. As all of us see, from the great number of labor disturbances of one sort and another in 1910, this question is becoming more and more an issue of grave national concern.

In discussing the question which is the subject of this paper it will be necessary to examine it on all sides, and particularly to avoid making the mistake of supposing that all the blame for labor disputes belongs to the workers. Let me quote here a few expressions from an address which I delivered at the annual convention of the Citizens' Industrial Association of America, held in Chicago, in December, 1906:

"As an advocate of fair play for everybody I will say a few words to-day to my fellow employers on our duty to give a square deal to our employees. We see socialists, anarchists and extremists

<sup>1</sup>This article was written by Mr. Van Cleave just before his untimely death. It represents his last work. In him the Academy lost a loyal friend and a frequent contributor to its publications.—(EDITOR.)

of all sorts springing up in large numbers all around us. Let us question ourselves and learn whether or not we have had any part in generating these destructionists.

"As we all know, there are autocratic and oppressive employers. Judging by many of their acts they seem to believe that the relations between capital and labor are like those between belligerents in war. . . . With them every sort of aggression which they can perpetuate without coming into collision with the statutes is fair. These employers seem to think that they are justified in taking every advantage which offers itself over their employees, and also over the public.

"Of course this class of employers is far in minority. It is numerous enough, however, to reflect discredit and to inflict injury on the entire guild of employers. It is the one oppressive employer out of the one hundred who generates the wrath of the demagogues and their dupes. . . . This one sinner, therefore, becomes more of an enemy to the rest of the members of his order than he does to the element which he arouses into irruption.

"In several ways the labor unions have done good service to the workers. They have promoted a fraternal feeling and cultivated a spirit of mutual helpfulness between men in many sorts of occupations. They have aided in advancing the wages of workers, and thus have obtained for labor a large share of the profits which the cooperation of labor and capital have brought. As fair-minded men we must concede all this. I, for one, have no desire to take away any of the credit belonging to the labor unions for any of the good which any of them have done."

Holding these views, and believing that workers have as good a right as employers to organize, I welcomed combination among workers because of the opportunity for collective bargaining which it would offer. Manifestly it is easier for an employer to make a contract with a thousand workers in a body than it would be to do this with each of them separately. I think a large majority of employers hold this view.

But here a drawback enters: We must devise a way by which the unions shall be compelled to respect their contracts. They should be legally responsible so that the law can reach them when they break faith with their employers, just as the employers are punishable by law when they violate their agreements.

This untrustworthiness and irresponsibility in labor unionism is something of which I have had an embarrassing personal experience. A violation of contract by a portion of the employees of the Buck's Stove and Range Company, of Saint Louis, of which I am president, resulted in the boycott which the American Federation of Labor declared against us. Our company is an open shop. It employs men regardless of their membership or non-membership in labor societies.

A small number of our employees who belonged to a union wanted to work fewer hours than they had been working up to that time, and fewer than the rest of our employees were working. If we granted their request a corresponding reduction would have been rendered necessary in the hours of the remainder of our forces, who outnumbered the malcontents many times over. As this would have involved a curtailment of production which would have placed us at a great disadvantage as compared with our competitors in Saint Louis and all over the country, we refused their request. The matter was submitted to arbitration, but a general strike was declared by the local union before a final decision was made, thus violating a contract. A boycott was set up against our products, and the American Federation of Labor declared war upon us.

In defense of the principle that an agreement is binding for the term which it covers, unless it is changed by the free and amicable consent of all parties to it, we were compelled to strike back. We did this in a legal way. From the Supreme Court of the District of Columbia—the headquarters of the American Federation of Labor being in Washington—we obtained a temporary injunction, which was afterward made permanent, restraining the Federation from placing the name of our company on the "Unfair" list in that organization's publications. A sentence to various terms in prison was inflicted on certain officers of the Federation for disobeying the court's orders. On appeal the case of these offenders is now before the United States Supreme Court.

Thus my experience of the arbitrariness of some of the labor unions under their autocratic and anti-American leaders, and their disregard of pledges, give me an especial reason for urging the adoption of some means whereby the unions, as unions, may be made responsible for their acts. The experience of most of the other employers of labor on a large scale is like mine on this point. For

their own and the workers' interest employers should advocate the placing of full legal accountability upon labor unions, so that the duties and responsibilities, as between employers and workers, shall be reciprocal and equal. When this elemental demand of justice and fair play is met, employers will be able to exert much more influence in the adjustment of labor disputes than they have heretofore. As a class, employers are always glad to meet workers half way in settling disagreements regarding wages, hours of work and other conditions when the workers present their side in an amicable spirit, and when they give any assurance that their pledges will be kept in good faith. Industrial peace is to the interest of employer and employee alike.

In support of my assertion that, as a class, we desire to settle disputes with employees in a peaceable way, I will cite one of the planks of the "Declaration of Labor Principles," adopted by the National Association of Manufacturers in 1903.

"The National Association of Manufacturers disapproves absolutely of strikes and lockouts, and favors an equitable adjustment of all differences between employers and employees by any amicable method that will preserve the rights of both parties."

This is the creed of an organization of employers who represent more workers and more wealth than any other combination of men on the globe. Let the reader of these lines observe that the National Association of Manufacturers opposes lockouts by employers just as strongly as it does strikes by employees. To it the lockout is as objectionable as the strike. With this principle I have always been in hearty accord. I have been against strikes, lockouts and black-lists from the beginning of my days as an employer.

Manifestly the influence of the National Association of Manufacturers in the equitable adjustment of labor controversies has been far reaching. It has extended to thousands of employers outside of our organization. The same attitude is taken by most of the employers represented in the 228 organizations affiliated with us in the National Council for Industrial Defense. We have exerted our influence in a decidedly practical way. When the officers of the American Federation of Labor have, on several occasions, attempted to coax or coerce Congress into the enactment of laws which, in industrial disputes, would virtually have abolished the injunction and have legalized the boycott, representatives of our organizations

have appeared before Congressional Committees and in conference with Congressional leaders, and have given practical voice to the American hostility to class legislation of any sort. Thus the special favors which the labor union magnates asked from Congress were refused. Before state legislatures all over the country we have done similar work. Our influence was exerted in the same way in the Republican National Convention of 1908, where we defeated a plot by which the same elements attempted to commit that party and its Presidential candidate to the policy of licensing a favored order of law breakers in the community.

Thus we have aided in improving the relations between employers and workers, have assisted in protecting the non-union worker as well as the employer in the enjoyment of his rights, and, by example, have furnished to the intelligent and public-spirited members of the labor societies an incentive to curb the arrogance and rapacity of their leaders.

At the beginning of this article I quoted some expressions from an address which I made in Chicago in favor of peace between employers and workers. This necessity is greater in 1910 than it was in 1906. Business is more diversified and expanded now than it was then. Our manufacturers, to a steadily increasing degree, outrun home consumption. Coincidentally with the growing need of winning new foreign markets for our surplus products there comes a closer competition between us and the great industrial countries of Europe. For these and other reasons the establishment of industrial peace becomes more and more imperative every year. At the same time anything like extended peace becomes more difficult to win and to hold. Notwithstanding the hard blows which have been dealt to them by the courts in recent years, some of the labor leaders are getting to be more arrogant and aggressive than ever.

Philadelphia had an illustration of this truth recently in the street car strike and in the sympathy strike which followed it. Of course the latter failed. Always and everywhere sympathy strikes fail. Sympathy strikes are the quickest and most effective means of alienating sympathy from the strikers which the mind of man has yet devised. In Philadelphia, too, at a meeting of the American Academy of Political and Social Science, shortly after the strike, the head of the American Federation of Labor renewed his denunciation of the judges and the courts because the boycott has been

outlawed, because injunctions are still issued for the purpose, if possible, of averting irreparable injury, and because the courts refuse to draw any line of distinction between law breakers among employers and workers, labor unionists and capitalists.

These outbreaks of demagoguery place obstacles in our way in our endeavor to diminish the number and the destructiveness of labor disturbances. They tend to make labor union workers discontented and inefficient, and, in some degree at least, they increase the cost of living. Moreover, they give aid and comfort to the socialistic enemies of the existing order.

In the election of April, 1910, the Socialists obtained control of Milwaukee, which is the largest American city to come under their sway. At its annual conventions the American Federation of Labor has repeatedly voted against socialist propositions, but by many of its teachings and practices that organization has worked into the hands of the Socialist party throughout the country. In a large degree the words and deeds of the leaders of the Federation contributed to the election of Seidel, Milwaukee's Socialist mayor, and of its board of aldermen of the same class.

The maintenance of our whole industrial structure depends upon the efficiency and the reliability of labor, and the promotion of peaceable relations between employers and employed. As shown by a bulletin recently issued by the United States Labor Bureau at Washington, within the past two years thirty-two states have enacted fifty-four laws, or amendments to laws, in this broad field. This shows the importance of the subject. Some of these statutes, however, are calculated to harm instead of help our industrial interests, and thus ultimately to injure the element which they were designed to aid. This is particularly true of employers' liability laws, a few of which were enacted, and other measures in the same line which, though defeated or averted, in the sessions of some of the legislatures in 1910, are certain to be brought forward in the next sessions. Some of these statutes make employers' risks so great that they may be compelled either to reduce wages or to close their mills.

A labor measure was before the Massachusetts Legislature at its recent session, however, which had real merit. It provided that no strike or lockout in any activity in which twenty-five or more persons were employed could take place until the controversy was submitted to a competent tribunal and a finding had been made.

Thirty days' notice was to be given by employers or workers of contemplated changes in wages or hours, the case, in the interval, to be appealed to a regularly constituted tribunal, if requested by either party. In a general way this measure was based on a statute which has been in operation in Canada for three years, except that the Canadian law applies only to mines and public utilities. A powerful element of the people of the Dominion, especially the labor organizations, like the law so well (it has resulted in the peaceable settlement of ninety-seven per cent of the labor controversies) that an endeavor will be made to extend the statute so as to cover all industries.

On the other hand, the Massachusetts labor leaders, supported by the principal officers of the American Federation of Labor, opposed the measure when it was before the Legislature of that state. They did this on the ground that the privilege of striking suddenly, and without notice to employers or public, is a powerful weapon of coercion in the hands of the unions, and should not be surrendered. This is one of the many points on which the demands of the labor union chiefs conflict with the convenience and the rights of the community.

But in appeals of labor controversies to regularly or specially constituted tribunals the public should insist that these bodies be impartial as well as intelligent. They must be free from prejudice of any sort, must refuse to be swayed by the clamor of the demagogue or professional agitator, and must render their judgments with courage and absolute fairness to all interests which are involved. In these days of mobs and hired cliques this requirement of fearlessness and evenhanded justice on the part of boards to which labor controversies are submitted is imperative.

Employers, workers and the general public, however, should understand that no general or lasting industrial peace is possible except through the establishment and maintenance of the open shop. The recognition and the application of this truth form the basis of the success which has been won by the Saint Louis branch of the Citizens' Industrial Association of America, one of the 228 organizations making up the National Council for Industrial Defense. I can speak upon this point with authority, for I was one of the founders of the Association, and was the head of the Saint Louis branch from its organization in 1903 to the present day.



The Association was founded to aid, by all lawful means, the regularly constituted officials and machinery of the city, the state and the nation in enforcing the laws in our community, to establish cordial relations between employers and employees, and to work for the betterment of the city's material and social conditions. Primarily our program was educational, and only secondarily was it corrective and punitive.

At the outset the punitive part of our program was rendered imperative, and we aided in placing many law breakers, chiefly labor unionists and their accomplices, in jail or penitentiary, and sent many others into permanent exile. At the same time, through lectures by men of national repute on the various phases of the general subject of industry, economics and good citizenship, supplemented by leaflets distributed by the hundred thousand, or supplied at nominal figures, we carry on an educational propaganda which has brought a sweeping transformation in the entire industrial situation in the city and its vicinity.

As compared with other centers of its class throughout the country, the relations between employers and workers are more amicable; the open shop—open to union and to non-union men on equal terms—is more widely diffused; the number of strikes and other labor disturbances are fewer in Saint Louis than elsewhere. This is one of the results of the work of 8,000 of the leading citizens of Saint Louis, representing all parties, all religions, and all callings. What the Citizens' Industrial Association of Saint Louis has done in the past few years in establishing industrial peace in that city can be accomplished by the citizens of any other trade center by the display of the requisite intelligence, persistence, courage and tact.